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August 31, 2004

Mr. Jeffrey P. Koenings PhD
Director
State of Washington
Department of Fish and Wildlife
600 Capital Way N
Olympia, WA 98501

Dear Mr. Koenings:

I want to thank you for the opportunity to meet with you on August 25th, 2004. It was a very productive meeting with you and your staff together with Paul Isaki from the Governor's office to discuss ballast water management on Crowley Maritime Corporation's (Crowley's) Articulated Tug and Barges (ATBs). We appreciated the very positive forum to better understand the state's concerns about the ATB's ballast water and for us to clearly explain Crowley's commitment to safely manage ballast water.

We were pleased to hear from Paul Isaki that the Department of Ecology has high praise for Crowley's environmental protection efforts in marine transportation. Our company was launched in 1892 and has made a continuous commitment to safe and environmentally sound vessels and service. Our first oil barge was designed and built in 1932. Over the decades there have been significant improvements in the design and operation of oil barges. Through Crowley's subsidiary, Marine Transport Corporation, a state-of-the art articulated tug barge (ATB) fleet of four tugs and four barges were built in 2002 .

Crowley has been an environmental leader in the towing industry and was the recipient of the U.S. Coast Guard's Admiral William Benkert Award for environmental excellence in 2000. Maintaining this leadership role, Crowley is actively involved in researching a solution for treating and exchanging ballast water on the ATBs. As we stated in our meeting, Crowley's culture is to do the right thing. We are equally concerned about the potential of invasive species in ballast water and have been seeking solutions. Crowley was asked to speak to the Washington State Ballast Water Working Group Technology Forum in May 2003 to address the participants on our progress in studying ballast water treatment technologies for use on the ATBs. Being an active participant in the Washington State Ballast Water Working Group, we have had several meetings with ballast water treatment companies to identify engineering solutions for a possible pilot testing project on an ATB. Crowley's customers are enthusiastic and fully supportive of our ballast water initiatives. The current status of ballast water treatment is at its very early research and development stage, both nationally and internationally, and research and development costs are significant. We are continuing to study ballast water treatment technologies for a cost effective system that can safely be tested on an ATB.

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Marine Transport Corporation has been working on modifications to the ATB ballast water system to allow for safer exchange of ballast water at sea. Over the last year, the four ATB barges' ballast water systems have been modified increasing the ballast water pumps capacity by approximately 30%. Safety is paramount and there are serious concerns with putting crews onboard barges at sea and stability issues with removing ballast water from the barge on the open ocean. Barge deck safety handrails were repositioned outboard of the ballast water system control valves to protect crewmembers on deck. A new design for the ladder from the tug to the barge is being developed for safer access at sea. The ATB ballast water exchange modifications have now been completed and the first successful open sea ballast water exchange was conducted last week. The ATB Ballast Water Management Plans were revised to include instructions for safe open sea exchange of ballast water. The only approved exemptions to conducting open sea ballast water exchange are safety of the crew; stability of the barge; and ballast water that originated in Washington State common waters.

There have been environmental concerns about significant volumes of ballast water from San Francisco. As we discussed, there were a total of 140 ATB voyages in ballast to Washington State since starting in August 2002 through July 2004. Of these, 91 voyages or 65% have originated from the Columbia River or Vancouver BC that are considered Washington State common waters. Only 7 ballast voyages or 5% have been from San Francisco.

The barges are double hulled for maximum environmental protection and safety. They were built, documented, and maintained to the requirements of American Bureau of Shipping (ABS) SafeHull. These barges have inert gas systems, vapor recovery, as well as an enhanced cargo handling systems. The barges are designed for the tug to be in the notch pushing but they can be towed as shown in some of our photographs.

The tugs meet all International Safety of Life at Sea (SOLAS) and ABS criteria. They have foam capable fire monitors; twin fuel efficient, reduced emission electronic diesel engines and a noise reduction package. Tug communication and navigation equipment is among the most technologically advanced in the industry today. As we discussed, these tugs are fully operational, functional and designated as a "Dual Mode ATB" able to operate as a stand-alone tugboat when required as per USCG NVIC 2-81.

Historically, barges have not been included in ballast water regulations since they are not manned vessels. Also, single hulled tank barges do not carry ballast water. With the newer double hull barge designs that require ballast water the industry is facing the new challenge of how to treat or exchange ballast water on unmanned barges as they were not designed nor intended to exchange ballast at sea. International and national ballast water requirements are designed for sea going ships and crewed vessels and not unmanned barges.

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Crowley takes environmental concerns seriously and works hard to find solutions that are safe and effective. We realize that ballast water treatment is in the early research and development stage and continue to look for possible future treatment systems that are effective and safe to discharge. Our company also wants to do something about ballast water now. For that reason, we have made ballast water exchange modifications to more safely conduct open sea exchanges. We believe that with these modifications the ATBs will satisfy Washington State's vessel ballast water management requirements.

We greatly appreciate the Department of Fish and Wildlife and the Governor's office for scheduling this meeting. I will be contacting your office to follow up on our invitation for you and your staff to tour a Crowley ATB and observe our onboard ballast water system modifications and management plans. Kindly let me know if you have any questions or need additional information. You can reach me at (206) 332-8031.

Sincerely,

Charles F. Nalen
Vice President
Environmental, Safety, Quality Assurance

Cc: Bill Alkire, Governor's Office
Paul Isaki, Governor's Office
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Scott Smith, WDFW
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